



Andy Schor, Mayor

## **LANSING SMALL BUSINESS RECOVERY PROGRAM**

### **COVID-19 RESCUE FUND**

#### **Guidelines, Eligibility, Application Scoring Criteria and Review Process**

##### **Summary:**

The COVID-19 Rescue Fund was created as an emergency fund to provide immediate financial assistance to city of Lansing small businesses in danger of going out of business. Grants of \$10,000 each are available to qualified Lansing businesses that have been significantly negatively affected and harmed by the COVID-19 pandemic including limits and temporary closures to business operations mandated by Governor Whitmer's Executive Order (EO) No. [2020-20](#) or subsequent EOs and reduced revenues due to other restrictions and auxiliary effects. The COVID-19 Rescue Fund represents the first phase emergency response of the Lansing Small Business Recovery Program (LSBRP) and is meant to be used as working capital to survive the sudden and severe economic impacts in Lansing due to COVID-19.

**COVID-19 Rescue Fund:**            \$400,000 in total grants from the city of Lansing, awarded by the Lansing Economic Development Corporation

**Award Amount:**                \$10,000 per Award. A limited number of \$5,000 awards may be offered at the discretion of the Rescue Fund Committee.

**Website:**                        [www.lansingmi.gov/smallbusiness](http://www.lansingmi.gov/smallbusiness)

##### **Application Timeline (tentative):**

- Program announced, application documents released: April 9<sup>th</sup>, 2020
- Application opens: April 13<sup>th</sup>, 2020
- Application closes: April 16<sup>th</sup>, 2020 11:59PM
- Applicants notified the week of April 27<sup>th</sup>, 2020

**Business Eligibility:**

In order to be considered for the LSBRP COVID-19 Rescue Fund, your business must meet all eligibility requirements, as outlined below.

1. Eligible businesses must have a brick-and-mortar location physically located in the corporate limits of the City of Lansing.
2. Must be a Lansing-based business with 25 employees or fewer company-wide as of March 1, 2020, both full-time and part-time.
3. Annual business revenue in 2019 was \$1,500,000 or less company-wide.
4. Business must demonstrate income loss *specifically related* to the COVID-19 pandemic or Executive Order (EO) No. 2020-9 or subsequent EOs, rather than financial hardship in general.
5. Business must demonstrate need for working capital.
  - Ex. payroll expenses essential to business viability, rent, mortgage payments, utility expenses or other similar expenses that occur in the ordinary course of business
6. Business must not have previously been awarded an MEDC Small Business Relief Fund Grant through the Lansing Economic Area Partnership (LEAP) for any location.
7. Applicant businesses and any person with 20% or greater ownership interest in the business must not have any obligations to the City of Lansing, including any delinquent or late property and income taxes.

Note: Sole proprietorships, home-based businesses, and nonprofits are not eligible for the LSBRP COVID-19 Rescue Fund. Please see FAQ sheet for additional information. For additional programs and assistance that your business or organization may qualify for, please visit [www.lansingmi.gov/smallbusiness](http://www.lansingmi.gov/smallbusiness).

**Use of Award Funds:**

LSBRP Rescue Fund awards are to be used exclusively for immediate/near-term working capital expenditures. Examples include payroll expenses essential to business viability, rent, mortgage payments, utility expenses or other similar expenses that occur in the ordinary course of business. The replacement of lost sales or profits or business expansion are not permissible uses of the LSBRP Rescue Fund awards.

**Scoring Criteria:****Business Information (15 Points)**

Provide basic information regarding your business including industry and ownership, questions in this section will include things such as: Is the business a City of Lansing Minority Business Enterprise (MBE) or City of Lansing Women Business Enterprise (WBE)? Was the business founded and/or headquartered in the city of Lansing? Does the majority of owners of the business live in the City of Lansing? How long has the business been operational?

#### Economic Distress (25 Points)

The business must attempt to quantify the financial burden caused by the outbreak. The application asks numerous financially driven questions to portray the hardship endured. Examples include detailing the difference of full-time equivalent employees (FTE) from March 1 to April 13 and revenue comparisons from previous periods to the current state. For a definition of full-time equivalent employees (FTE), please see the FAQ sheet available at [www.lansingmi.gov/smallbusiness](http://www.lansingmi.gov/smallbusiness).

#### Working Capital Need (20 Points)

The business must detail its immediate business needs to operate in this time of crisis. Examples include payroll expenses essential to business viability, rent, mortgage payments, utility expenses or other expenses incurred during ordinary business. The business can also describe other resources it has sought or is currently utilizing during this time, such as an SBA Disaster Loan, SBA Paycheck Protection Program, or other grant funding, in an effort to meet working capital needs. A business should attempt to allocate its award request to its most pressing and distinct working capital needs.

#### Uniqueness of Product/Service/Offering (15 Points)

Lansing has many businesses that uniquely contribute to the community and are likely difficult to replace, impacting the city's character. Provide a compelling narrative why the community needs this business including things such as: Is the business the neighborhood's only hair salon or coffee shop? Is the business the only information technology consultant in the community? What differentiates this business from others and its competitors?

#### Local Impact and Repercussions of Bankruptcy/Closing (10 Points)

Understanding the ripple effect a company has on the Lansing economy is integral to mitigating the community's economic distress. Attempt to describe the immediate economic impact of the business closing including considerations such as: What would happen to the Lansing economy if the business closed? Does the business utilize Lansing suppliers, or does it supply Lansing companies? Does the business support or sell Lansing-made products? What other businesses would be affected by the business closing?

#### Strategic Location (10 Points)

Summarize how the business's location contributes to the character of the Lansing community including considerations such as: What makes the business's location special? Does it draw large quantities of vehicle and/or foot traffic? Is it integral to local neighborhoods? Is the business located in a historic building that would otherwise be vacant?

#### #LoveLansing Community Impact (5 Points)

Small businesses are integral to the economy in a myriad of ways, such as how they engage with the community through philanthropy, events, programming and more. Briefly describe the intangible impact the business has on the residents of the City of Lansing including considerations such as: Does the business engage with the local main street program or chamber of commerce for holiday festivals and

parades? Does the business engage with community organizations like Rotary or Lions Club? Is the business beloved by its community with a proven track record? How does the City of Lansing community relate to the business's brand?

**Review Process:**

The LEDC Board of Directors has designated a specialized LSBRP Rescue Fund Committee to review and evaluate applications and make final selections of awardees. Applications will be evaluated using a two-stage process to ensure equality and fairness.

In the first stage, eligible applications will be scored by a panel consisting of multiple two person scoring teams. Each application will be scored by at least two reviewers separately. The two individual scores will then be combined for a second review by each scoring team. Each team will elevate their top applications for final-stage consideration. The number of scoring teams and applications selected for final consideration will depend upon the total number of applications submitted.

In the second and final stage, applications forwarded by first stage reviewers will be further reviewed by the Rescue Fund Committee, comprised of city of Lansing leaders, appointed by the Lansing Economic Development Corporation (LEDC) Board. The committee will consider and select grant awardees from the applications forwarded by the first-stage reviewers.

**Next Steps for Awarded Businesses:**

All applicants will be notified of grant selections the week of April 27, 2020 by email using the address included in the application. Selected applicants are required to complete the following steps in order to receive funding:

- Awarded businesses will be required to submit an updated W9 form and bank account information within 24 hours of award acknowledgement in order to expedite fund processing.
- Awarded businesses must complete and submit a Treasury Information Form to verify the Applicant is not delinquent or late on any property taxes owed to the City of Lansing and that the Applicant is not delinquent or late on any corporate or other business income taxes owed to the City of Lansing.
- Awarded businesses will be required to enter into an Award Agreement that dictates the terms of the award and simple reporting obligations, such as use of funds and business operation updates for a period of 12 months.